



# California Fair Political Practices Commission

January 25, 1989

Honorable Don T. Gasperson  
Councilmember, City of Pacific Grove  
743 Marino Pines Road  
Pacific Grove, CA 93950

Re: Your Request for Advice  
Our File No. A-88-453

Dear Mr. Gasperson:

You have requested advice concerning your responsibilities under the Political Reform Act (the "Act").<sup>1/</sup> This letter confirms the tentative advice given to you on December 28, 1988.

## QUESTION

You have \$900 left in your campaign account. May you keep this money in your campaign account until your next election? If you can keep the money, must you transfer it to a new account?

## CONCLUSION

You may use the money in your next election. However, prior to making any expenditures or receiving any contributions, you must file FPPC Form 501, statement of "Candidate Intention", and FPPC Form 502, "Campaign Bank Account", and designate the existing campaign account as the "Campaign Bank Account" on Form 502.

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<sup>1/</sup> Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

FACTS<sup>2/</sup>

You were successful in your campaign for reelection in November 1988 as a councilmember of the City of Pacific Grove. You have \$900 left in your campaign account. You intend to use the money in 1990 for your campaign to seek election to the office of Mayor of the City of Pacific Grove. You do not possess any assets which were purchased with campaign funds.

ANALYSIS

On June 7, 1988, California voters passed Proposition 73, a statewide initiative which amended the Political Reform Act of 1974. Among other things, Proposition 73 established contribution limits in political campaigns and banned the transfer of campaign funds from one candidate to another. Also added by Proposition 73 was Section 85306, which states:

Any person who possesses campaign funds on the effective date of this chapter may expend these funds for any lawful purpose other than to support or oppose a candidacy for elective office.

Regulation 18536 (copy enclosed) states that "campaign funds" in Section 85306 exclude:

Contributions received by a candidate or committee on or before December 31, 1988, which:

(A) Are brought into compliance with the contribution limitations imposed by Government Code Sections 85301 through 85303, and

(B) Have been deposited in a bank account separate from any other contributions, pursuant to Section 18536.1

Regulation 18536(b)(2)(A) and (B).

Regulation 18536.1 (copy enclosed) outlines the procedure to bring the cash and cash equivalents on hand into compliance with the contribution limitations imposed by Sections 85301 through 85303. In accordance with Regulation 18536.1 you work back in time and review the contributions received to determine whether your cash on hand was raised under the limits established by Proposition 73. Since any individual contributor

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<sup>2/</sup> Supplemented by our telephone conversation.

Honorable Don T. Gasperson  
January 25, 1989  
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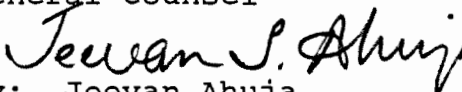
could have given you a contribution up to \$1,000, the \$900 in your existing campaign account is within the contribution limits of Sections 85301 through 85303 and therefore it may be used in your next campaign for elective office.

Section 85200 requires that prior to soliciting or receiving any contribution or loan for your next campaign, you must file with the Commission a statement stating your intention to be a candidate for a specific office. Form 501 (enclosed) is the form to be filed. In addition, pursuant to Section 85201, you must establish a campaign contribution account, and file the name of the financial institution, its location, and the account number with the Commission within 24 hours of establishing such an account. Form 502 (enclosed) is the form that must be filed within 24 hours of establishing such an account. Regulation 18536.1(c), however, permits the use of an existing bank account if all funds in that account are in compliance with the contribution limits of Section 85301 through Section 85303, and if the existing account is designated as the Campaign Bank Account on Form 502. This must be done before June 30, 1989. Therefore, you do not have to transfer the \$900 in your existing account to a new account.

After you have filed Form 502, designating your current campaign account as the campaign account for your next election, you are required to use moneys deposited in that account only for that election or for expenses of holding office after that election. (Section 85202(b).)

Sincerely,

Diane M. Griffiths  
General Counsel

  
By: Jeevan Ahuja  
Counsel, Legal Division

DMG:JA:ld

Enclosures



# California Fair Political Practices Commission

December 7, 1988

Honorable Don T. Gasperson  
Councilmember  
City of Pacific Grove  
743 Marino Pines Road  
Pacific Grove, CA 93950

Re: 88-453

Dear Mr. Gasperson:

Your letter requesting advice under the Political Reform Act was received on December 5, 1988 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact Jeevan Ahuja, an attorney in the Legal Division, directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

*Kathryn E. Donovan*  
Diane M. Griffiths  
General Counsel

DMG:plh

FPPC  
Dec 5 8 34 AM '88



## CITY OF PACIFIC GROVE

300 FOREST AVENUE  
PACIFIC GROVE, CALIFORNIA 93950  
TELEPHONE (408) 373-1576

November 30, 1988

Kathryn Donovan  
Fair Political Practices Commission  
Legal Division  
428 J Street, Suite 800  
Sacramento, California 95814

Dear Ms. Donovan:

I was a successful council member candidate for re-election November 8, 1988, in the City of Pacific Grove. All my contributions were received from June 1988 to November 1988.

I have read the California Fair Political Practices Commission report of November 18, 1988, and have some questions:

1. In my campaign account, I have \$900.00 remaining. May I keep this money in my campaign account until the next election?
2. If I may keep the money, do I have to transfer it to a new account?

Please advise as soon as possible, as it was my previous understanding that remaining funds had to be disbursed to charity.

Sincerely,

Don T. Gasperson  
Councilman  
City of Pacific Grove  
743 Marino Pines Road  
Pacific Grove, Ca. 93950

DTG:cc

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